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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/710,011	11/10/2000	Giorgos C. Zacharia	O0220/7006/SJH/DPM	4469

7590 03/08/2004

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EXAMINER

STIMPAK, JOHNNA

ART UNIT PAPER NUMBER

3623

DATE MAILED: 03/08/2004

Please find below and/or attached an Office communication concerning this application or proceeding.

**Office Action Summary**

Application No.

09/710,011

Applicant(s)

ZACHARIA, GIORGOS C.

Examiner

Johnna R Stimpak

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

**Period for Reply**

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

**Status**

- 1) ☒ Responsive to communication(s) filed on 10 December 2003.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

**Disposition of Claims**

- 4) ☒ Claim(s) 1-43 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-43 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

**Application Papers**

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

**Priority under 35 U.S.C. § 119**

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some \* c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
  - ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

**Attachment(s)**

- |  |   |
|--|---|
| 1) <input type="checkbox"/> Notice of References Cited (PTO-892)   | 4) <input type="checkbox"/> Interview Summary (PTO-413)<br>Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948)                                   | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152)             |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)<br>Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____  |

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### DETAILED ACTION

1. The following is a non-final Office Action upon examination of application number 09/710,011. Claims 1-43 are pending and have been examined on the merits discussed below.

#### *Response to Amendment*

2. Applicant's request for reconsideration of the finality of the rejection of the last Office action is persuasive and, therefore, the finality of that action is withdrawn. Specifically, Examiner is persuaded that the Zacharia reference does anticipate calculating a reputation of an entity as a rater of other entities. New rejections to the claims are below.

#### *Claim Rejections - 35 USC § 103*

3. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

4. **Claims 1-7, 11-17, 18-23, 27-36 and 40-43** are rejected under 35 U.S.C. 103(a) as being unpatentable over Zacharia et al.

As per **claim 1**, Zacharia et al teaches a method of determining a reputation of a first entity comprising acts of: (A) receiving a first rating of the first entity by a second entity (p4 column 1, lines 8-10); (B) accessing one or more rater reputations (p4, column 1 – for the rater reputation to be determined, the reputation of the user giving the rating is taken into consideration, see equation 1); and (C) generating a reputation of the first entity, comprising

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combining the one or more rater reputations and the first rating (p4, column 1 – for the ratee reputation to be determined, the reputation of the user giving the rating is taken into consideration, see equation 1). Zacharia does not explicitly teach determining a ratee reputation, wherein the reputation of an entity as a rater of others is determined. Official notice is taken that it is old and well known to take into account the reputation of a person as a rater of others when evaluating someone's reputation or rating. For instance, in schools, many teachers have reputations as being "hard graders", therefore many view grades given by those teachers differently. A "C" given by a teacher with a reputation of being a "hard grader" will be thought of as a "B", etc. It would have been obvious to one of ordinary skill in the art at the time the invention was made, given the reputation calculations by Zacharia, to include the ratings of others when calculating a reputation. Those who rate other people unfairly, or inconsistently would receive lower reputations and their ratings would not weigh as heavily on the resulting rating or grade, thereby resulting in a more accurate and fair way of evaluating someone's reputation.

As per **claim 2**, Zacharia et al teaches (D) accessing one or more second ratings provided for the first entity, each second rating provided by and associated entity, wherein act (C) further comprises: (2) combining second ratings with the first rating (page 4, equation 1,  $t$  represents the number of ratings received, the equation represents the summation of ratings received as  $t$  goes from 1 to  $t$ ).

As per **claim 3**, Zacharia et al teaches (a) calculating an average of the first and second ratings (page 4, equation 1, the summation of the weighted ratings is divided by the variable  $\theta$  and used as an averaging function, also see figure 1,  $\theta$  represents the number of raters).

As per **claim 6**, teaches (E) determining a damping factor as a negative function of the initial ratee reputation signal (p4, column 1, equation 1 – damping function= $\Phi(R)$ ), wherein (C) comprises: (3) determining a ratee reputation modification to be applied to the initial ratee reputation signal based on the first rating signal, the first rater reputation signal and the damping factor, and wherein (C)(1) comprises generating the ratee reputation adjustment from the ratee reputation modification (p4, equation 1 – the ratee reputation is modified (updated by multiplying the damping factor, the rater reputation and the rating and summing for each rating received).

As per **claims 11, 18, 19, and 22**, these claims are directed to the system that generates the ratee reputation of claims 1. Therefore, the rejection applied to claim 1 also applies to claim 11.

As per **claim 12**, it is the system that performs the method of claim 1. Therefore, the rejection applied to claim 1 also applied to claim 12.

As per **claim 13, 31, 32 and 35**, it is the computer readable medium defining instructions to perform the method of claim 1. Therefore, the rejection applied to claim 1 also applied to claim 13.

As per **claim 14, 27 and 40**, Zacharia et al teaches the first entity is a person (page 1, the reputation mechanisms are tested in an electronic transaction system such as Kasbah, where users list items for sale and a users rating is dependent on reputations).

As per **claim 15, 28 and 41**, Zacharia et al teaches the first entity is an electronic agent (page 1, the reputation mechanisms are tested in an electronic transaction system such as Kasbah, where users can set up electronic agents).

As per **claim 16, 29 and 42**, Zacharia et al teaches the rating is based on an exchange between the second entity and the first entity (page 1, the reputation mechanisms are used in systems such as Kasbah wherein users interact for the exchange of goods).

As per **claim 17, 30 and 43**, Zacharia et al teaches (D) receiving a third rating of the first entity by a third entity; (E) accessing a second rater reputation representing a reputation of the third entity as a qualitative rate of other entities; and (F) updating the ratee reputation of the first entity, comprising combining the generated ratee reputation, the second rater reputation and the third rating (page 4, equation 1,  $t$  represents the number of ratings received, the equation represents the summation of ratings received as  $t$  goes from 1 to  $t$ ).

5. **Claims 8-10, 24-26 and 37-39** are rejected under 35 U.S.C. 103(a) as being unpatentable over Zacharia et al, in view of Moukas et al.

As per **claims 8, 24 and 37**, Zacharia et al teaches all the limitation of claim 8 as applied to claim 1 above, but do not teach determining whether to transact with the first entity based on the determined ratee reputation of the first entity. Moukas et al teaches a selling agent that knows what expertise an entity has and can compare different entities offering the expertise. Moukas et al specifically uses the reputation of the entity to decide whether to transact with the entity (p14). It would have been obvious to one of ordinary skill in the art at the time of the invention to combine the reputation generating method of Zacharia et al with the Moukas et al method of determining whether to transact with an entity to make, for example, an online shopping experience more efficient, realistic and trustworthy as suggested by Moukas et al.

As per **claim 9, 25 and 38**, Zacharia et al teaches all the limitations of claim 9 as applied to claim 1 above, but do not teach determining a price to pay for a good or service offered by the first entity based on the determined ratee reputation of the first entity. Moukas et al teaches a selling agent that knows what expertise an entity has and can compare different entities offering the expertise. Moukas et al specifically teaches the reputation of the entity being a significant factor of the price level negotiation (p14). It would have been obvious to one of ordinary skill in the art at the time of the invention to combine the reputation generating method of Zacharia et al with the Moukas et al method of determining a price to pay for a good or service offered by the first entity based on the determined ratee reputation to make, for example, an online shopping experience more efficient, realistic and trustworthy as suggested by Moukas et al.

As per **claim 10, 26 and 39**, Zacharia et al teaches all the limitations of claim 10 as applied to claim 1 above, but do not teach determining a price to pay for insuring a quality of a good or service offered by the first entity based on the determined ratee reputation of the first entity. Moukas et al teaches a selling agent that knows what expertise an entity has and can compare different entities offering the expertise. Moukas et al specifically teaches the reputation of the entity being a factor of merchant differentiation in retail sales negotiation (p12 – Tete-a-Tete). Moukas et al teaches a negotiation system that provides way for merchants to differentiate themselves in product and service attributes such as warranty length and options, service contracts, payment options, etc (p12 – Tete-a-Tete), all of which are elements of insuring quality of a product. It would have been obvious to one of ordinary skill in the art at the time of the invention to combine the reputation generating method of Zacharia et al with the Moukas et al method of determining a price to pay for a good or service offered by the first entity based on the

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determined ratee reputation to make, for example, an online shopping experience more efficient, realistic and trustworthy as suggested by Moukas et al.

*Allowable Subject Matter*

6. Claims 4, 5, 7, 20, 21, 23, 33, 34 and 36 are objected to as being dependent upon a rejected base claim, but would be allowable if rewritten in independent form including all of the limitations of the base claim and any intervening claims. The following is a statement of reasons for the indication of allowable subject matter: The cited prior art taken alone or in combination fails to teach the claimed invention set forth in claims 4, 5, 7, 20, 21, 23, 33, 34 and 36. Specifically, the invention set forth in these claims is directed to a method, system and computer program product for weighting ratings and calculating a weighted average, generating a ratee reputation adjustment and adding it to the initial ratee reputation and determining an expected rating and subtracting it from the first rating so that if the difference is positive, the reputation increases. The closest prior art, Zacharia, "Collaborative Reputation Mechanisms in Electronic Marketplaces", teaches a reputation mechanism but fails to include the specific calculations for weighted average, and also fails to include generating a reputation adjustment from the first rating and initial rater reputation and also, subtracting the expected rating from the first rating to produce a difference wherein if the difference is positive, then the adjustment is positive and the reputation increases. Zacharia specifically fails to teach how the reputation adjustment affects the ratee reputation.



*Conclusion*

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Johnna R Stimpak whose telephone number is 703-305-4566. The examiner can normally be reached on M-F 8am-5:30pm.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Tariq Hafiz can be reached on 703-305-9643. The fax phone number for the organization where this application or proceeding is assigned is 703-872-9306.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

Js  
February 19, 2004